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Held at Headquarters, New York, on Tuesday, 13 July 2010, at 10 a.m.

President: Mr. Cujba (Vice-President) ..... (Republic of Moldova)

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In the absence of Mr. Ali (Malaysia), Mr. Cujba (Republic of Moldova), Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(a) Follow-up to policy recommendations of the General Assembly and the Council (E/2010/3-A/64/578, E/2010/52, E/2010/53, E/2010/70 and E/2010/78-A/65/79)

(b) Reports of the Executive Boards of the United Nations Development Programme/United Nations Population Fund, the United Nations Children's Fund and the World Food Programme (E/2009/35; E/2010/5, E/2010/6, E/2010/14, E/2010/34 (Part I) and Add.1 and E/2010/36; E/2010/L.7)

1. **Ms. Cohen** (Australia), speaking on behalf of Canada, Australia and New Zealand (the CANZ group of countries), said that General Assembly resolution 64/289 on system-wide coherence provided valuable guidance to the United Nations development agencies in a number of key areas to ensure that they played their part in helping countries to achieve the Millennium Development Goals. Moreover, the outcome document from the High-level Tripartite Conference on Delivering as One held in Hanoi sent a clear message that "business as usual" was no longer an option for the countries that were implementing that approach.

2. Improved coordination among United Nations agencies at the country level under the resident coordinators was critical to improving the efficiency of the United Nations, making it more attractive as a partner and enhancing its ability to mobilize resources. However, the role of the resident coordinator and non-resident agencies must be clarified while doubts about the capacity of United Nations Development Group regional teams to meet their coordinated responsibilities needed to be dispelled. Consistent and practical messages from all United Nations agency headquarters to their staff at the country level in support of the resident coordinator system would help to better promote and explain the management and accountability system. While coordination was important, it was vital to ensure that it increased efficiency.

3. While the CANZ group welcomed the establishment of UN Women, which signalled a significant step forward for gender equality, it still felt that all United Nations agencies were responsible for addressing gender inequality in their policies and programmes. In that regard, it was disappointed that very few United Nations country teams had completed the voluntary gender equality and women's empowerment scorecard, which was a useful tool.

4. Lastly, the CANZ group welcomed the substantial increase in contributions, including local resources — an important stream of non-core funding — by programme countries to the United Nations development system.

5. **Mr. Cumberbatch Miguen** (Observer for Cuba) said that United Nations operational activities for development should not only remain universal, voluntary, donor-based, neutral and multilateral, but should also be able to respond flexibly to the development needs of programme countries. While sustainable development should remain the cornerstone of United Nations work, the internationally agreed development goals could only be achieved within the framework of the United Nations. A more robust global development partnership that recognized countries' leadership and ownership of national strategies was needed.

6. Development cooperation should be demand-driven and anchored in the plans and strategies of programme countries and should reflect their specific needs, priorities and circumstances without imposing conditionalities.

7. Noting that General Assembly resolution 62/208 had stressed inter alia that reform efforts should enhance organizational efficiency and achieve concrete development results and that the operational activities for development should be valued and assessed on the basis of their impact on the programme countries, he cautioned against eliminating or weakening key mandates. In that regard, he welcomed General Assembly resolution 64/289, which clearly stated that funding for operational activities should be aligned with the national priorities of programme countries. Although standards and rules established through an intergovernmental process applied to all States Members of the United Nations, the system's operational activities only took place, as part of the international cooperation agenda, in developing

countries. Therefore such a skewed approach would ultimately create a situation where the funds and programmes monitored countries of the South in areas where they did not have a mandate. Such an approach would introduce unacceptable conditionalities into the already weakened United Nations development agenda, disregard national priorities and pave the way for funds and programmes to be used by some donors to bring political pressure to bear on programme countries, exacerbating the contradictions between funds and programmes and national governments.

8. There was no one-size-fits-all approach. It was incumbent upon national governments to set their own development priorities, and choose their development partners and the kind of relationships they wanted with United Nations development agencies at the country level.

9. Cuba favoured greater coordination and coherence among United Nations funds, programmes and agencies to prevent duplication of efforts and overlapping of functions in order to enhance their effectiveness. System-wide coherence did not mean applying only one model and forcing everyone to follow an approach imposed by donors.

10. No single programme should take all the credit for progress in cooperation with developing countries; that would be unfair to all the specialized agencies and the other funds and programmes. It would simply be absurd to confer on the resident representative of one of the programmes the power to decide on the priorities of each national government and manage as he saw fit the financial resources of the system's resident agencies in developing countries. Furthermore, international civil servants must not act as mediators in the internal affairs of developing countries, amid increasing interference by some donors and ever dwindling regular resources for the development agenda.

11. International development emergencies were largely the result of the unfair international economic and political order, fuelled by decades of relentless neoliberalism. The rich countries that benefited from the current order must honour their commitments and abandon policies that militated against genuine cooperation with the United Nations system.

12. **Mr. Jaiswal** (India) said that, at a time when developing countries were grappling with shrinking capital flows, an economic slowdown and increased programming needs, it was more critical than ever for developed countries to honour their commitment to increase official development assistance. In addition to increased ODA, such needs should be met through pro-development investment and trade, enhanced transfers of and access to advanced technology by developing countries, and broader-based, innovative financing of development. United Nations operational activities must be able to adapt to the changing circumstances of individual countries, while programme activities needed to be harmonized with the budgetary and planning cycles of recipient governments.

13. The system's development activities must be founded on national ownership and leadership and deference to national development priorities and must be conditionality-free. Furthermore, the decline in core resources as a proportion of total resources provided through the United Nations must be arrested and reversed, as should the fragmentation of non-core resource flows. United Nations development agencies should also allocate more funds to interventions targeting poverty eradication, infrastructure development and expansion of the asset base of the poor.

14. He welcomed the adoption of General Assembly resolution 64/289, which reflected the commitment of Member States to achieving a better performing and more effective United Nations development system, and expressed the hope that the unified gender entity, UN Women, would reinvigorate the Organization's agenda on gender equality and empowerment.

15. India welcomed the rapid expansion of South-South cooperation and its emergence as a significant complement to North-South cooperation and supported measures to strengthen and mainstream South-South cooperation and triangular cooperation in the United Nations, while maintaining the basic premise of voluntary, conditionality-free development partnerships based on a shared sense of solidarity.

16. **Mr. Yamashita** (Japan) said that United Nations operational activities for development must respond to the real needs of programme countries in a flexible manner and with full respect for the principles of national ownership. They must seek to help countries to improve the assistance provided to those in need. The development system should be people-centred, comprehensive and multisectoral in order to meet real needs on the ground.

17. Japan was encouraged by the growing number of countries adopting the "delivering as one" approach on a voluntary basis to make the most effective use of United Nations country teams. The High-level Tripartite Conference in Hanoi had shown that the pilot countries were making significant progress. That bottom-up approach was crucial to the substantive improvement of United Nations operational activities for development.

18. Rather than arguing about core and non-core funding, it would be more productive to focus discussions on determining the level of "critical mass" of core funding. His delegation was committed to participating in future discussions on that concept.

19. **Mr. Fluss** (Observer for Israel) said that, since the operational activities of United Nations funds and agencies were the nucleus of development work, more efficient mechanisms must constantly be developed to assist countries on their path to development. The "delivering as one" pilot had been successful and should be expanded. Resident coordinators could harness the specific expertise of small and emerging donors that did not have a permanent representation in programme countries but could play a valuable role in development.

20. A substantial proportion of Israel's development resources was devoted to capacity-building. Training local experts in a wide variety of fields maximized the impact of development and ensured that local systems would be able to function independently upon the completion of Israeli-sponsored programmes. All Israeli development activities were based on the principle of country ownership and were planned together with Israel's partners.

21. In order to maintain the quality and quantity of development projects funded through the operational activities of the United Nations system, the core budgets of the various funds and programmes needed to be increased, including through new and innovative mechanisms. Israel for its part was increasing its contributions to those budgets.

22. Executive boards could play a constructive guiding role in the simplification and harmonization of the business practices of the United Nations Development Group. He welcomed the progress achieved in reorganizing and restructuring the operational activities of United Nations development programmes and in implementation of the triennial comprehensive policy review and hailed the establishment of UN Women, which was expected to enhance the efficiency of the Organization's work on the gender issue.

23. **Ms. Ajamay** (Norway) said that cooperation with the United Nations operational agencies was a pillar in Norway's efforts to promote global public goods, including the Millennium Development Goals.

24. National budgets and other capital flows, such as foreign direct investment, trade and remittances, were more important to the achievement of the MDGs than ODA. Indeed, illegal transfers of money from the poorest countries were estimated to be 10 times higher than total global ODA. Transparency was the most effective way to stop those illegal capital flows.

25. Noting that Norway had consistently exceeded its development assistance target of 0.7 per cent of gross national income, she said that the bulk of its assistance — approximately US$ 1.3 billion in 2009 — was channelled through the United Nations operational agencies.

26. There was a need for enhanced burden-sharing among Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) countries; that was the key to ensuring more secure and predictable funding. The current situation, where the top 10 donors to the United Nations Children's Fund (UNICEF), UNDP and the United Nations Population Fund (UNFPA) accounted for 80 to 90 per cent of core contributions, was unsustainable.

27. The international financial crisis should serve as a further argument for strengthening the global commitment to combating poverty and climate change. The Millennium Development Goals Summit in September 2010 would provide an opportunity for industrialized countries and emerging economies to commit themselves to increased funding. More secure funding, which was crucial to United Nations operational activities, must go hand in hand with better performance, oversight, accountability, efficiency and results. Norway would welcome greater emphasis on efficiency and results.

28. Core funding was the bedrock of United Nations operational activities and it was therefore a matter of concern that core resources accounted for only 20 per

cent of the UNDP budget. However, non-core contributions were equally vital.

29. **Mr. Momen** (Bangladesh) said that General Assembly resolution 64/289 was a significant breakthrough for the United Nations operational activities for development. The creation of UN Women was one of the most important achievements in recent times. Bangladesh had always attached great importance to United Nations operational activities for development.

30. Least developed countries such as Bangladesh had been affected disproportionately by the economic and other crises. In 2009, some 46 million people had joined the ranks of the approximately 140 million people who had been pushed into poverty in 2008 because of soaring food and fuel prices.

31. His delegation hoped that the United Nations system would take on a greater role in South-South cooperation, as reflected in the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation. He called on all relevant United Nations organizations to consider allocating more human, technical and financial resources for South-South cooperation.

32. Bangladesh stood ready to share its experience in microfinancing with countries in the South. It had developed disaster preparedness mechanisms which it could share with others and had also had successes in non-formal education, women's empowerment and digital voter roll preparation.

33. Bangladesh had, for some time, been suffering more from the adverse effects of climate change than most countries, although its contribution to climate change had been negligible. It was estimated that by 2050, 1 in every 45 people would be displaced by climate change. In Bangladesh, that figure would be 1 in 7. The fast-track financing funds promised by developed countries at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP-15) were urgently needed.

34. The Bangladesh Climate Change Strategy and Action Plan 2009 was built on the six pillars of food security, social protection, health, comprehensive disaster management, capacity-building and institutional strengthening. It gave priority to the needs of the poor and vulnerable. United Nations funds and programmes were urged to contribute to its implementation.

35. In June 2010, his Government had signed a Joint Cooperation Strategy for 2010-2015 with 18 development partners, including the United Nations country team. Its salient features included national ownership, alignment with national policies, management for results and mutual accountability. The strategy was aimed at transforming international commitments into real actions for improved aid delivery. A high-level policy dialogue, the Bangladesh Development Forum, had been organized in February 2010 to discuss with development partners its plan to reach middle income status by 2021.

36. There were normative and implementation gaps with regard to core development issues. Achievement of the MDGs depended to a great extent on fulfilment of commitments by development partners. The international community must step up its efforts to reduce the implementation gap. In that regard, developed countries must fulfil their internationally agreed commitments with respect to ODA.

37. **Ms. Amorim** (International Labour Organization) said that the International Labour Organization (ILO) was active in discussions on system-wide coherence and had played an active role in the design of the United Nations Development Assistance Framework (UNDAF) Guidance and Guidelines, ensuring inclusion of international labour standards and social partners, such as workers' and employers' organizations. ILO was active in the "delivering as one" pilot countries and supported the inclusion of Decent Work Country Programme concerns in the United Nations Development Assistance Frameworks, including the four pillars of the Decent Work Agenda — fundamental principles and rights at work, social protection, social dialogue and employment.

38. ILO was working closely with UNDP on the Global Jobs Pact and with the World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the Social Protection Floor.

39. ILO believed in the principles contained in General Assembly resolution 62/208, which reinforced the importance of the use of national systems, capacity and expertise. While it favoured non-earmarked funding to support the four pillars of the Decent Work Agenda, without conditionalities, it welcomed the

strong focus in the high-level, coordination and operational activities segments on South-South and triangular cooperation.

40. **The President** said that the Council's review of operational activities for development had taken on added importance in the light of the upcoming Summit on the Millennium Goals. General Assembly resolution 64/289 on system-wide coherence was of historic significance for its creation of UN Women.

41. The United Nations system had worked to identify scalable best practices that could be replicated to accelerate progress towards the MDGs in a more coordinated manner and was exploring ways to reach the poorest of the poor. "Delivering as one" was strengthening the relevance, coherence, comparative advantage and accountability of the United Nations development system at country level and had the potential to reduce transaction costs significantly. Programme pilot countries had said that the old way of doing business was no longer an option for them.

42. The United Nations had made great strides in ensuring national ownership and leadership. Building national capacities was a sine qua non for national ownership and leadership, which should apply to governments and civil society organizations alike.

43. The United Nations needed to adapt its country-level capacities to the various needs of programme countries and respond to emerging needs. The role of resident coordinators and the support of regional bodies were increasingly important.

44. The resources which flowed through the United Nations system were not always in a form conducive to national ownership and leadership. Core resources remained the bedrock of operational activities although there were considerable complementarities between core and non-core resources. What mattered above all was ensuring that funding was multi-year, predictable, flexible and aligned with national priorities. The right mix of core and non-core resources had to be found.

45. Remaining challenges included improving management practices, multiple reporting requirements and diverse staffing policies at the country level. Implementation of the guidance of the General Assembly with regard to support for South-South cooperation was another challenge. Such challenges should be analysed in future reporting by the Secretary-General.

46. The operational activities segment would be suspended pending the outcome of informal negotiations on a draft resolution.

The meeting rose at 11.10 a.m.